

Agency Proposed Budget								
Budget Item	Base Budget Fiscal 2002	PL Base Adjustment Fiscal 2004	New Proposals Fiscal 2004	Total Exec. Budget Fiscal 2004	PL Base Adjustment Fiscal 2005	New Proposals Fiscal 2005	Total Exec. Budget Fiscal 2005	Total Exec. Budget Fiscal 04-05
FTE	57.00	0.00	0.00	57.00	0.00	0.00	57.00	57.00
Personal Services	2,790,161	307,217	4,713	3,102,091	300,080	4,264	3,094,505	6,196,596
Operating Expenses	1,549,903	2,092,000	294,196	3,936,099	43,589	294,695	1,888,187	5,824,286
Transfers	0	0	0	0	0	0	0	0
<b>Total Costs</b>	<b>\$4,340,064</b>	<b>\$2,399,217</b>	<b>\$298,909</b>	<b>\$7,038,190</b>	<b>\$343,669</b>	<b>\$298,959</b>	<b>\$4,982,692</b>	<b>\$12,020,882</b>
General Fund	4,046,816	361,663	(66,838)	4,341,641	298,216	(66,981)	4,278,051	8,619,692
State/Other Special	247,969	35,984	302,152	586,105	43,889	302,356	594,214	1,180,319
Federal Special	45,279	2,001,570	63,595	2,110,444	1,564	63,584	110,427	2,220,871
<b>Total Funds</b>	<b>\$4,340,064</b>	<b>\$2,399,217</b>	<b>\$298,909</b>	<b>\$7,038,190</b>	<b>\$343,669</b>	<b>\$298,959</b>	<b>\$4,982,692</b>	<b>\$12,020,882</b>

### Agency Description

The Office of the Governor exists under authority granted in Article VI of the Montana Constitution. The Governor has constitutional and statutory authority to administer the affairs of the State of Montana. The Governor appoints all military and civil officers of the state whose appointments are provided for by statute or the constitution, grants reprieves and pardons, and serves on various boards and commissions. The Governor approves or vetoes legislation, reports to the legislature on the condition of the state, and submits a biennial Executive Budget. The Governor also represents the state in relations with other governments and the public.

### Executive Recommended Legislation

**Economic Development Statutory Elimination** - This bill eliminates the statutory appropriation from the coal severance taxes to the Office of Economic Development for business recruitment and retention. The 2001 legislature authorized a \$350,000 annual appropriation to the Governor's Office of Economic Development. The August 2002 Special Session reduced the appropriation to \$175,000 per year. This bill would eliminate the statutory appropriation for a savings of \$175,000 per year.

**Economic Development Transfer to General Fund** - This bill transfers the balance of \$153,000, in the state-tribal economic development commission state special revenue account, to the general fund.

**Mental Health Ombudsman Fund Switch** - This bill revises the Managed Care Ombudsman created in 1999 (now referred to as the Mental Health Ombudsman) to a discretionary position appointed by the Governor.

## Agency Discussion

Governor's Office Major Budget Highlights	
<ul style="list-style-type: none"> <li>○ Total funding increases about \$858,000 over the 2003 biennium appropriation</li> <li>○ General fund increases by \$251,500, attributed to statewide present law adjustments, a new proposal for executive protection, legislative session costs, and the addition of 1.00 FTE in the Lieutenant Governor's Office</li> <li>○ Additional state special revenue authority is requested for the Flathead Basin Commission annual report and projects, economic development projects, and operating costs of the Governor's airplane</li> <li>○ Federal authority for anticipated state tribal economic development funds is continued</li> <li>○ Budget balancing general fund reductions include eliminating 2.00 FTE, reducing the agency budget for computers, general operating reductions within the Mental Disabilities Board of Visitors, and replacing general fund for the Consensus Council and Mental Health Ombudsman with state and federal special revenue</li> </ul>	
Major LFD Issues	
<ul style="list-style-type: none"> <li>○ Economic development</li> <li>○ Executive protection</li> <li>○ Mental Health Ombudsman</li> </ul>	

## Funding

The following table summarizes funding for the agency, by program and source as recommended by the Governor. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Agency Funding 2005 Biennium Executive Budget					
<u>Agency Program</u>	<u>General Fund</u>	<u>State Spec.</u>	<u>Fed Spec.</u>	<u>Grand Total</u>	<u>Total %</u>
Executive Office Program	\$ 4,636,765	\$ 1,098,319	\$ 190,871	\$ 5,925,955	49.3%
Mansion Maintenance Program	159,025	-	-	159,025	1.3%
Air Transportation Program	357,880	82,000	-	439,880	3.7%
Office Of Bdget & Pgm Planning	2,141,202	-	-	2,141,202	17.8%
Coordinator Of Indian Affairs	274,579	-	2,000,000	2,274,579	18.9%
Lieutenant Governor'S Office	493,642	-	-	493,642	4.1%
Citizens Advocate Office	144,859	-	30,000	174,859	1.5%
Mental Disabilities Bd Visitors	411,740	-	-	411,740	3.4%
Grand Total	\$ 8,619,692	\$ 1,180,319	\$ 2,220,871	\$ 12,020,882	100.0%

Biennium Budget Comparison								
Budget Item	Present Law Fiscal 2004	New Proposals Fiscal 2004	Total Exec. Budget Fiscal 2004	Present Law Fiscal 2005	New Proposals Fiscal 2005	Total Exec. Budget Fiscal 2005	Total Biennium Fiscal 02-03	Total Exec. Budget Fiscal 04-05
FTE	57.00	0.00	57.00	57.00	0.00	57.00	57.00	57.00
Personal Services	3,097,378	4,713	3,102,091	3,090,241	4,264	3,094,505	5,872,542	6,196,596
Operating Expenses	3,641,903	294,196	3,936,099	1,593,492	294,695	1,888,187	5,290,404	5,824,286
Transfers	0	0	0	0	0	0	0	0
<b>Total Costs</b>	<b>\$6,739,281</b>	<b>\$298,909</b>	<b>\$7,038,190</b>	<b>\$4,683,733</b>	<b>\$298,959</b>	<b>\$4,982,692</b>	<b>\$11,162,946</b>	<b>\$12,020,882</b>
General Fund	4,408,479	(66,838)	4,341,641	4,345,032	(66,981)	4,278,051	8,368,227	8,619,692
State/Other Special	283,953	302,152	586,105	291,858	302,356	594,214	702,514	1,180,319
Federal Special	2,046,849	63,595	2,110,444	46,843	63,584	110,427	2,092,205	2,220,871
<b>Total Funds</b>	<b>\$6,739,281</b>	<b>\$298,909</b>	<b>\$7,038,190</b>	<b>\$4,683,733</b>	<b>\$298,959</b>	<b>\$4,982,692</b>	<b>\$11,162,946</b>	<b>\$12,020,882</b>

### New Proposals

The "New Proposals" table summarizes all new proposals requested by the executive. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

New Proposals										
Program	-----Fiscal 2004-----					-----Fiscal 2005-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 101 - Executive Protection Contract										
01	0.00	130,000	0	0	130,000	0.00	130,000	0	0	130,000
DP 103 - Flathead Basin State Special Revenue										
01	0.00	0	125,000	0	125,000	0.00	0	125,000	0	125,000
DP 104 - Economic Development State Special Revenue Authori										
01	1.00	0	115,660	0	115,660	1.00	0	115,926	0	115,926
DP 110 - Reduce FBC Funding from Renewable Resources										
01	0.00	0	(13,908)	0	(13,908)	0.00	0	(13,909)	0	(13,909)
DP 301 - Airplane State Special Revenue Authority										
03	0.00	0	25,000	0	25,000	0.00	0	25,000	0	25,000
DP 402 - OBPP FTE Reduction										
04	(1.00)	(54,782)	0	0	(54,782)	(1.00)	(55,017)	0	0	(55,017)
DP 1201 - Lt. Governor's Office Staff Support										
12	1.00	26,791	0	0	26,791	1.00	26,709	0	0	26,709
DP 2001 - General Operating Reduction										
20	0.00	(15,327)	0	0	(15,327)	0.00	(15,327)	0	0	(15,327)
DP 7106 - Eliminate 1.00 FTE										
01	(1.00)	(39,525)	0	0	(39,525)	(1.00)	(39,423)	0	0	(39,423)
DP 7107 - Consensus Council Fund Switch										
01	0.00	(50,400)	50,400	0	0	0.00	(50,339)	50,339	0	0
DP 8108 - Managed Care Ombudsman Fund Switch (Requires Legislation)										
01	0.00	(63,595)	0	63,595	0	0.00	(63,584)	0	63,584	0
<b>Total</b>	<b>0.00</b>	<b>(\$66,838)</b>	<b>\$302,152</b>	<b>\$63,595</b>	<b>\$298,909</b>	<b>0.00</b>	<b>(\$66,981)</b>	<b>\$302,356</b>	<b>\$63,584</b>	<b>\$298,959</b>

### Agency Issues

#### LFD Issue: Economic Development

The Martz Administration advocated economic development as a major priority of the 2001 legislative session. As a result, the legislature created an Office of Economic Development in the Governor's Office to advise the Governor on policy issues related to economic development, lead the state's business recruitment, retention, and expansion efforts, coordinate the development of a statewide economic development plan, and act as liaison with other governments, including tribal governments. The legislature provided \$2.4 million over the 2003 biennium to support the office (\$1.7 million HB 2 appropriation and \$350,000 statutory appropriation), including 7.00 new FTE. In addition, \$15.7 million of statutory appropriations to other agencies were maintained during the 2003 biennium.

Governor and August 2002 Special Session reductions reduced economic development funding for the Governor's Office by \$302,500 in fiscal 2003. The Executive Budget proposes to continue the fiscal 2003 reduction, with a further reduction for a total biennium decrease of \$779,000 from the original 2003 biennium appropriation level. The reduction eliminates the \$350,000 annual statutory appropriation and funding for a vacant FTE within the Office of Economic Development. Impacts of the reduction include reduced business marketing (promotion) efforts and reduced projects that the office will be able to undertake. In addition, a Washington, D.C. office will not be established as originally intended.

To fulfill its legislative mandate, the office created a six-stage process that included:

- research and competitive assessment
- developing a framework for economic development
- collaboration and outreach to stakeholders
- publishing an interim status report
- developing a strategic plan that will include performance benchmarks and measurements
- conducting an annual report on progress and operating plan for accomplishing future activities

The office has completed efforts through stage four and will complete the strategic plan by the time the 2003 legislature convenes. The strategic plan will include performance benchmarks and measurements related to the office's success, as identified and measured by the office.

The legislature may want a say in whether the office is successful, whether it is heading in the right direction, and whether it warrants funding in future biennia. Measuring the impact of an economic development program is dependent upon the ability to measure change in the state and to relate that change to specific actions that have been undertaken. Change could be measured through the number of new companies attracted or companies lost, new business formations, the increase or decrease of jobs, the increase or decrease in the average wage or income levels, or the unemployment rate. In an effort to determine the effectiveness of this office on Montana's economy, the legislature may want to consider identifying some agreed upon performance standards or measurements from the strategic plan, or in addition to those identified in the plan, for the next biennium and require the office to report back the results to the following legislature or an interim committee.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2002	PL Base Adjustment Fiscal 2004	New Proposals Fiscal 2004	Total Exec. Budget Fiscal 2004	PL Base Adjustment Fiscal 2005	New Proposals Fiscal 2005	Total Exec. Budget Fiscal 2005	Total Exec. Budget Fiscal 04-05
FTE	27.50	0.00	0.00	27.50	0.00	0.00	27.50	27.50
Personal Services	1,367,624	147,331	32,704	1,547,659	143,523	32,572	1,543,719	3,091,378
Operating Expenses	1,076,617	80,025	284,523	1,441,165	31,773	285,022	1,393,412	2,834,577
<b>Total Costs</b>	<b>\$2,444,241</b>	<b>\$227,356</b>	<b>\$317,227</b>	<b>\$2,988,824</b>	<b>\$175,296</b>	<b>\$317,594</b>	<b>\$2,937,131</b>	<b>\$5,925,955</b>
General Fund	2,198,563	173,232	(23,520)	2,348,275	113,273	(23,346)	2,288,490	4,636,765
State/Other Special	215,398	52,555	277,152	545,105	60,460	277,356	553,214	1,098,319
Federal Special	30,280	1,569	63,595	95,444	1,563	63,584	95,427	190,871
<b>Total Funds</b>	<b>\$2,444,241</b>	<b>\$227,356</b>	<b>\$317,227</b>	<b>\$2,988,824</b>	<b>\$175,296</b>	<b>\$317,594</b>	<b>\$2,937,131</b>	<b>\$5,925,955</b>

### Program Description

The Executive Office Program aids the Governor in overseeing and coordinating the activities of the executive branch of Montana state government. The program provides administrative, legal, and press support and centralized services for the Office of the Governor. The Executive Office Program also administers programs with special impact on the citizens and governmental concerns of Montana. Special programs include the Office of Economic Opportunity, which was created to strengthen the foundations of the state's business environment and diversify and expand existing economic endeavors to achieve long-term economic stability, the Flathead Basin Commission, and the Montana Consensus Council.

### Program Narrative

Executive Office Program Major Budget Highlights	
<ul style="list-style-type: none"> <li>○ Total funding increases \$544,600 in fiscal 2004 and \$493,000 in fiscal 2005 over base expenditures</li> <li>○ Budget balancing reductions include decreasing economic development funding (\$214,500 annually), transferring state-tribal economic development funding to the general fund (\$153,000 annually), and replacing Consensus Council and Mental Health Ombudsman general fund with other funding (\$114,000 annually)</li> <li>○ New proposals increase general fund for executive protection, and provide state and federal revenue authority for the Flathead Basin Commission, economic development, the Consensus Council, and the Mental Health Ombudsman</li> </ul>	
Major LFD Issues	
<ul style="list-style-type: none"> <li>○ Executive protection</li> <li>○ Mental Health Ombudsman</li> </ul>	

## Funding

The following table shows program funding, by source, for the base year and for the 2005 biennium as recommended by the Governor.

Program Funding Table Executive Office Program						
Program Funding	Base Fiscal 2002	% of Base Fiscal 2002	Budget Fiscal 2004	% of Budget Fiscal 2004	Budget Fiscal 2005	% of Budget Fiscal 2005
01100 General Fund	\$ 2,198,563	89.9%	\$ 2,348,275	78.6%	\$ 2,288,490	77.9%
02038 Governor'S Office Ssr	1,712	0.1%	125,000	4.2%	125,000	4.3%
02166 Economic Dev Workforce Develop	-	-	115,660	3.9%	115,926	3.9%
02272 Renewable Resources Grnt/Loans	50,863	2.1%	41,825	1.4%	48,195	1.6%
02275 Consensus Council Ssr	162,823	6.7%	262,620	8.8%	264,093	9.0%
03001 Governors Office Federal Grnts	-	-	-	-	-	-
03580 93.778 - Med Adm 50%	30,280	1.2%	96,269	3.2%	96,252	3.3%
03583 93.778 - Med Ben Fmap	-	-	(825)	0.0%	(825)	0.0%
Grand Total	\$ 2,444,241	100.0%	\$ 2,988,824	100.0%	\$ 2,937,131	100.0%

This program is funded with a combination of general fund, and state and federal special revenue. General fund pays for general administration, legislative audits, extradition and transportation of prisoners, and economic development.

State special revenue includes renewable resource grant and loan funding for the Flathead Basin Commission; governor's state special revenue used primarily to support the Flathead Basin Commission; and fees and private funds for the Consensus Council services. Federal funds consist of Medicaid reimbursements for administrative expenses of the Mental Health Ombudsman.

Present Law Adjustments									
Fiscal 2004					Fiscal 2005				
FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services				206,032					202,074
Vacancy Savings				(58,701)					(58,551)
Inflation/Deflation				2,650					3,587
Fixed Costs				47,920					21,419
<b>Total Statewide Present Law Adjustments</b>				<b>\$197,901</b>					<b>\$168,529</b>
DP 102 - Flathead Basin Commission Biennial Report	0.00	0	0	0	0.00	0	5,000	0	5,000
DP 111 - Replacement Computers	0.00	28,104	0	1,351	0.00	(2,286)	2,702	1,351	1,767
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$28,104</b>	<b>\$0</b>	<b>\$1,351</b>	<b>0.00</b>	<b>(\$2,286)</b>	<b>\$7,702</b>	<b>\$1,351</b>	<b>\$6,767</b>
<b>Grand Total All Present Law Adjustments</b>				<b>\$227,356</b>					<b>\$175,296</b>

## Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 102 - Flathead Basin Commission Biennial Report - The Flathead Basin Commission is required by law to submit a biennial report to the legislature. This cost always appears in a non-base year of the biennium, so it must be added as a decision package in the second year of each biennium.

**LFD  
COMMENT**

The funding source for this proposal is from the renewable resource grant and loan account. Based on activities funded throughout all state agencies, a revenue shortfall is anticipated in this account, so the executive has included an offsetting reduction of about \$13,900 each year through DP 110.

**DP 111 - Replacement Computers** - This proposal provides funding for replacement of computers on a four-year replacement cycle and consolidates purchases under a single program. The budget for fiscal 2004 includes a new server and tape backup, which will be used by the entire Governor's Office. Related decision packages in the Office of Budget and Program Planning (Program 04) and Mental Disabilities Board of Visitors (Program 20) reduce all general fund budgets for this account to zero.

**LFD  
COMMENT**

If approved, the legislature may want to designate funding of \$14,178 for the new server and tape backup as a one-time-only (OTO) expenditure in fiscal 2004. The remaining funds, \$13,926 and \$1,767 in each year of the 2005 biennium plus fiscal 2002 expenditures carried forward from the base (\$11,743 per year), will allow 19 replacements in the first year and 11 in the second year of the 2005 biennium at a cost of \$1,351 per unit. There are 59 workstations throughout the Governor's Office requiring 15 replacements annually to meet the four-year replacement cycle. Therefore, an additional \$5,404 (four computers at \$1,351 each) could be designated as one-time-only to assure that base year expenditures in the next biennium reflect the intended replacement schedule. Fifteen computers were replaced in fiscal 2002, but it is unlikely that any will be accomplished in fiscal 2003 due to Governor and August 2002 Special Session reductions.

New Proposals										
Program	FTE	Fiscal 2004				FTE	Fiscal 2005			
		General	State Special	Federal Special	Total Funds		General	State Special	Federal Special	Total Funds
DP 101 - Executive Protection Contract										
01	0.00	130,000	0	0	130,000	0.00	130,000	0	0	130,000
DP 103 - Flathead Basin State Special Revenue										
01	0.00	0	125,000	0	125,000	0.00	0	125,000	0	125,000
DP 104 - Economic Development State Special Revenue Authority										
01	1.00	0	115,660	0	115,660	1.00	0	115,926	0	115,926
DP 110 - Reduce FBC Funding from Renewable Resources										
01	0.00	0	(13,908)	0	(13,908)	0.00	0	(13,909)	0	(13,909)
DP 7106 - Eliminate 1.00 FTE										
01	(1.00)	(39,525)	0	0	(39,525)	(1.00)	(39,423)	0	0	(39,423)
DP 7107 - Consensus Council Fund Switch										
01	0.00	(50,400)	50,400	0	0	0.00	(50,339)	50,339	0	0
DP 8108 - Managed Care Ombudsman Fund Switch (Requires Legislation)										
01	0.00	(63,595)	0	63,595	0	0.00	(63,584)	0	63,584	0
<b>Total</b>	<b>0.00</b>	<b>(\$23,520)</b>	<b>\$277,152</b>	<b>\$63,595</b>	<b>\$317,227</b>	<b>0.00</b>	<b>(\$23,346)</b>	<b>\$277,356</b>	<b>\$63,584</b>	<b>\$317,594</b>

**New Proposals**

The "New Proposals" table summarizes all new proposals requested by the executive. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

**DP 101 - Executive Protection Contract** - It is requested that the contract with the Department of Justice to provide executive protection for the Governor be continued.

**LFD  
ISSUE**

This proposal requests continued funding for a contract initiated during the 2003 biennium that provides uniformed guards for the Governor, and was authorized through an operating plan change that transferred funds from personal services to contracted services. Funding was authorized at \$115,000 and \$140,000 in each year of the 2003 biennium and generated by underfilling positions in the Governor's Office of Economic Opportunity.

Statute (44-1-104, MCA) states: "The department of justice shall furnish the Governor with automobile transportation upon his request, provided that such transportation shall be limited to travel and transportation of the Governor while on official business of the state." The contract specifies that the Department of Justice will provide two uniformed officers for this activity and bill the Governor's Office for services and expenses. This arrangement is similar to the state of Idaho, who funds executive protection through the state highway patrol at a cost of \$265,000 per year with 2.50 FTE. South Dakota and North Dakota provide executive protection through their highway patrol only during specific events. A decision package is included in the Executive Budget under the Department of Justice that requests funding for the 2.00 FTE and their expenses. The FTE requested are for a grade 16, step 13 and a grade 17, step 13. The contract also specifies that two vehicles will be acquired through state surplus, which was accomplished during the current biennium. In light of the current budget deficit, the legislature may want to consider whether this new proposal is a priority of the legislature.

**Options:**

- Authorize funding for the request as submitted.
- Authorize funding for 1.00 FTE to allow the provision of protection during special events at a total annual cost of \$65,000.
- Fund the FTE(s) at entry level for a total annual cost of \$110,000.
- Do not fund the request.

DP 103 - Flathead Basin State Special Revenue - During the 2003 biennium, the Flathead Basin Commission received various small contracts and grants with other agencies, primarily Department of Environmental Quality and Department of Natural Resources and Conservation to conduct work related to water quality in the Flathead Basin. Spending authority for these grants and contracts was obtained through administrative appropriations. In order to minimize paperwork and simplify management of the grants and contracts, the Governor's Office requests state special revenue spending authority in the budget at the same level as the current biennium. Should the grants or contracts not continue, the spending authority could not be used.

DP 104 - Economic Development State Special Revenue Authority - During the 2005 biennium, the Office of Economic Opportunity has received contracts from other state agencies. In order to spend these funds, the Governor's Office has obtained administrative appropriations (AA) and obtained a modified FTE through the AAs. This request would establish the same level of spending authority in the 2005 biennium. If the funding does not materialize, the appropriation could not be used.

**LFD  
COMMENT**

This proposal is funded through a transfer from the Department of Labor and Industry (DLI), Workforce Development Program with funds received under the Workforce Development Act of 1998. Funding of \$51,357 was received in fiscal 2002 and \$113,447 is included for fiscal 2003 in a memorandum of agreement between DLI and the Governor's Office. The money supports 1.00 FTE to oversee workforce development programs of the Governor's Office of Economic Opportunity. Activities include providing administrative support to the State Workforce Investment Board and handling workforce related issues.

DP 110 - Reduce FBC Funding from Renewable Resources - The Flathead Basin Commission (FBC) is funded with \$117,837 from the renewable resources grant and loan state special revenue fund (02272). \$111,486 is in the adjusted base for FBC from renewable resources, with additional amounts of \$6,351 requested in two decision packages. Revenues to renewable resources from the resource indemnity trust (RIT) fund are insufficient to fund all of the currently funded programs in various agencies. This reduction to meet a biennial amount of \$90,020 for FBC from renewable resources is proposed to give the fund a positive ending fund balance.

**LFD  
COMMENT**

This will reduce general operating expenses of the Flathead Basin Commission by about \$13,900 each year which they may be able to replace through charging additional administrative costs through their contracts. Refer to the RIT discussion in "Section C-Natural Resources and Commerce under the Department of Natural Resources and Conservation" for details regarding the revenue status.

DP 7106 - Eliminate 1.00 FTE - The executive recommends eliminating 1.00 FTE in the Office of Economic Opportunity.

**LFD  
COMMENT**

This proposal eliminates a vacant position for a general fund savings of almost \$79,000 over the biennium. SB 445 authorized by the 2001 legislature created the Governor's Office of Economic Development, in addition to reorganizing the Department of Commerce. The legislation allowed for a Chief Business Development Officer plus 6.00 FTE to improve, enhance, and diversify Montana's economic and business climate through business creation, expansion, and retention efforts; and coordination with local development organizations. Funding provided through HB 2 was \$850,000 per year.

The position to be eliminated was never filled during the 2003 biennium. It was left vacant to help fund the executive protection agreement with the Department of Justice.

DP 7107 - Consensus Council Fund Switch - This decision package removes the general fund support from the Consensus Council and replaces it with a like amount of state special revenue authority. The request will require the program to become self-supporting. The reduction in general fund is \$50,400 in fiscal 2004 and \$50,399 in fiscal 2005.

**LFD  
COMMENT**

This proposal meets the original intent of the legislature at the time the council was established. The Montana Consensus Council (MCC) is a non-profit organization that is attached to the Office of the Governor for administrative purposes. It was created by executive order in 1994 at the urging of a group of farmers, ranchers, environmentalists, legislators, and state and federal officials to provide an ongoing forum to help citizens and officials resolve natural resource disputes. The original objective of the council was to evolve into a public-private, nonprofit corporation and to be self-supporting after an initial two-year pilot project. The office was to charge fees for its services and attempt to raise non-state funds to support itself after the initial two-year period. Revenues generated through fees and other non-state funds have ranged from about \$73,000 in fiscal 1994 to \$157,000 in fiscal 2002. Services provided by the council include public participation, education and training, research and communication, and regional outreach regarding natural resource and other policy.

General fund support for the council has been about \$50,000 per year. In addition, the 2001 legislature approved \$150,000 general fund to be used as matching funds for grants as a biennial, one-time-only appropriation (\$75,000 each year). In fiscal 2003, the one-time-only appropriation was eliminated through the Governor and special session reductions. Removing general fund from the budget will require the council to rely on fees, contracts, and grants to fund its operations.

DP 8108 – Mental Health Ombudsman Fund Switch (Requires Legislation) - This proposal would revise the Mental Health Ombudsman to be a discretionary appointment by the Governor. It is recommended that general fund be eliminated, but the federal authority be retained, for a general fund savings of \$127,179 for the biennium. This decision package is contingent upon passage and approval of a bill.

**LFD  
ISSUE**

The executive has indicated that the chance of obtaining additional federal funds to compensate for the loss of general fund is not very good. However, it appears that some activities of the Mental Disabilities Board of Visitors could be eligible for federal Medicaid reimbursement. This would include activities related to community services that have Medicaid eligible clients. If such clients can be easily identified a portion of the costs, equivalent to the percentage of Medicaid eligible to total clients, may be reimbursable through Medicaid. A cost allocation plan would be required, which will make the administrative procedures more complex. General fund savings from any federal Medicaid reimbursement for the Mental Disabilities Board of Visitors could fund the Mental Health Ombudsman. Language would need to be added in HB 2 to do two things:

- Require the Mental Disabilities Board of Visitors to seek federal reimbursement and reduce general fund by the amount of federal funds reviewed
- Provide a language appropriation to the Mental Health Ombudsman for general fund freed up in the Mental Disabilities Board of Visitors program

Discussions with the executive indicate that it will be difficult to continue the Mental Health Ombudsman if funding is not secured to replace general fund.

The Fifty-sixth Legislature created the Mental Health Ombudsman in 1999 at the same time it terminated the Mental Health contract for the public mental health system. The purpose is to represent the interests of individuals with regard to the need for public mental health services, including individuals in transition from public to private services. The office receives over 400 contacts annually.

**Language Recommendations**

The executive proposes to continue the following language:

"The legislature recognizes that the cost for extradition and transportation of prisoners is dependent upon factors beyond the control of the agency and may exceed the appropriation provided. In that event, the agency will need to request a supplemental appropriation from the 2005 legislature to provide required extradition and transportation of prisoners."

**LFD  
COMMENT**

This proposed language continues language added to HB 2 by the 2001 and previous legislatures. However, the language does not in any way obligate the 2005 legislature to approve supplemental funding should expenditures exceed the appropriation.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2002	PL Base Adjustment Fiscal 2004	New Proposals Fiscal 2004	Total Exec. Budget Fiscal 2004	PL Base Adjustment Fiscal 2005	New Proposals Fiscal 2005	Total Exec. Budget Fiscal 2005	Total Exec. Budget Fiscal 04-05
FTE	1.50	0.00	0.00	1.50	0.00	0.00	1.50	1.50
Personal Services	48,631	88	0	48,719	(15)	0	48,616	97,335
Operating Expenses	31,014	(212)	0	30,802	(126)	0	30,888	61,690
<b>Total Costs</b>	<b>\$79,645</b>	<b>(\$124)</b>	<b>\$0</b>	<b>\$79,521</b>	<b>(\$141)</b>	<b>\$0</b>	<b>\$79,504</b>	<b>\$159,025</b>
General Fund	79,645	(124)	0	79,521	(141)	0	79,504	159,025
<b>Total Funds</b>	<b>\$79,645</b>	<b>(\$124)</b>	<b>\$0</b>	<b>\$79,521</b>	<b>(\$141)</b>	<b>\$0</b>	<b>\$79,504</b>	<b>\$159,025</b>

### Program Description

The Mansion Maintenance Program maintains the Governor's official residence.

### Program Narrative

Mansion Maintenance Major Budget Highlights	
○	Funding is maintained at approximately the same level as base year expenditures

### Funding

The following table shows program funding, by source, for the base year and for the 2005 biennium as recommended by the Governor

Program Funding Table Mansion Maintenance Program						
	Base Fiscal 2002	% of Base Fiscal 2002	Budget Fiscal 2004	% of Budget Fiscal 2004	Budget Fiscal 2005	% of Budget Fiscal 2005
Program Funding						
01100 General Fund	<u>\$ 79,645</u>	<u>100.0%</u>	<u>\$ 79,521</u>	<u>100.0%</u>	<u>\$ 79,504</u>	<u>100.0%</u>
Grand Total	<u>\$ 79,645</u>	<u>100.0%</u>	<u>\$ 79,521</u>	<u>100.0%</u>	<u>\$ 79,504</u>	<u>100.0%</u>

Present Law Adjustments									
-----Fiscal 2004-----					-----Fiscal 2005-----				
FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services				2,118					2,011
Vacancy Savings				(2,030)					(2,026)
Fixed Costs				(212)					(126)
<b>Total Statewide Present Law Adjustments</b>				<b>(\$124)</b>					<b>(\$141)</b>
<b>Grand Total All Present Law Adjustments</b>				<b>(\$124)</b>					<b>(\$141)</b>

### Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2002	PL Base Adjustment Fiscal 2004	New Proposals Fiscal 2004	Total Exec. Budget Fiscal 2004	PL Base Adjustment Fiscal 2005	New Proposals Fiscal 2005	Total Exec. Budget Fiscal 2005	Total Exec. Budget Fiscal 04-05
FTE	1.00	0.00	0.00	1.00	0.00	0.00	1.00	1.00
Personal Services	54,023	(1,926)	0	52,097	(1,928)	0	52,095	104,192
Operating Expenses	133,847	7,936	25,000	166,783	10,058	25,000	168,905	335,688
<b>Total Costs</b>	<b>\$187,870</b>	<b>\$6,010</b>	<b>\$25,000</b>	<b>\$218,880</b>	<b>\$8,130</b>	<b>\$25,000</b>	<b>\$221,000</b>	<b>\$439,880</b>
General Fund	171,870	6,010	0	177,880	8,130	0	180,000	357,880
State/Other Special	16,000	0	25,000	41,000	0	25,000	41,000	82,000
<b>Total Funds</b>	<b>\$187,870</b>	<b>\$6,010</b>	<b>\$25,000</b>	<b>\$218,880</b>	<b>\$8,130</b>	<b>\$25,000</b>	<b>\$221,000</b>	<b>\$439,880</b>

### Program Description

The Air Transportation Program provides the Governor with air transportation.

### Program Narrative

Air Transportation Program Major Budget Highlights	
<ul style="list-style-type: none"> <li>○ General fund increases due to statewide present law adjustments</li> <li>○ Authority to expend state special revenue from airplane use charges is requested</li> </ul>	

### Funding

The following table shows program funding, by source, for the base year and for the 2005 biennium as recommended by the Governor

Program Funding Table Air Transportation Program						
Program Funding	Base Fiscal 2002	% of Base Fiscal 2002	Budget Fiscal 2004	% of Budget Fiscal 2004	Budget Fiscal 2005	% of Budget Fiscal 2005
01100 General Fund	\$ 171,870	91.5%	\$ 177,880	81.3%	\$ 180,000	81.4%
02038 Governor'S Office Ssr	16,000	8.5%	-	-	-	-
02693 Air Transportation Special Revenue	-	-	41,000	18.7%	41,000	18.6%
Grand Total	\$ 187,870	100.0%	\$ 218,880	100.0%	\$ 221,000	100.0%

The program is funded with general fund and state special revenue from rental charges to other state agencies for use of the Governor's airplane.

Present Law Adjustments											
-----Fiscal 2004-----						-----Fiscal 2005-----					
	FTE	General	State Special	Federal Special	Total Funds		FTE	General	State Special	Federal Special	Total Funds
Personal Services					245						243
Vacancy Savings					(2,171)						(2,171)
Inflation/Deflation					4,589						6,649
Fixed Costs					3,347						3,409
Total Statewide Present Law Adjustments					\$6,010						\$8,130
Grand Total All Present Law Adjustments					\$6,010						\$8,130

### Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

New Proposals										
-----Fiscal 2004-----						-----Fiscal 2005-----				
Program	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 301 - Airplane State Special Revenue Authority										
03	0.00	0	25,000	0	25,000	0.00	0	25,000	0	25,000
<b>Total</b>	<b>0.00</b>	<b>\$0</b>	<b>\$25,000</b>	<b>\$0</b>	<b>\$25,000</b>	<b>0.00</b>	<b>\$0</b>	<b>\$25,000</b>	<b>\$0</b>	<b>\$25,000</b>

### New Proposals

The "New Proposals" table summarizes all new proposals requested by the executive. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

DP 301 - Airplane State Special Revenue Authority - The Air Transportation program provides air travel for the Governor. The aircraft is available to other state agencies and the Governor's Office bills these other agencies on an hourly basis for their use of the airplane. The purpose of this request is to establish adequate appropriation authority to spend the funds recovered from other state agencies in order to allow for maximum, efficient use of the aircraft.

#### LFD COMMENT

Agencies are charged \$375 per hour for use of the state aircraft. The fee includes the direct physical cost for flying the aircraft, gasoline expense, and an industry standard amount for engine overhaul reserve and major maintenance. A portion of the fees pay for the direct cost of the charters, while a majority of the revenue is deposited into a state special revenue account as a reserve for engine overhaul when needed.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2002	PL Base Adjustment Fiscal 2004	New Proposals Fiscal 2004	Total Exec. Budget Fiscal 2004	PL Base Adjustment Fiscal 2005	New Proposals Fiscal 2005	Total Exec. Budget Fiscal 2005	Total Exec. Budget Fiscal 04-05
FTE	17.00	0.00	(1.00)	16.00	0.00	(1.00)	16.00	16.00
Personal Services	848,543	135,211	(54,782)	928,972	132,636	(55,017)	926,162	1,855,134
Operating Expenses	145,441	(236)	0	145,205	(4,578)	0	140,863	286,068
Transfers	0	0	0	0	0	0	0	0
<b>Total Costs</b>	<b>\$993,984</b>	<b>\$134,975</b>	<b>(\$54,782)</b>	<b>\$1,074,177</b>	<b>\$128,058</b>	<b>(\$55,017)</b>	<b>\$1,067,025</b>	<b>\$2,141,202</b>
General Fund	993,984	134,975	(54,782)	1,074,177	128,058	(55,017)	1,067,025	2,141,202
State/Other Special	0	0	0	0	0	0	0	0
Federal Special	0	0	0	0	0	0	0	0
<b>Total Funds</b>	<b>\$993,984</b>	<b>\$134,975</b>	<b>(\$54,782)</b>	<b>\$1,074,177</b>	<b>\$128,058</b>	<b>(\$55,017)</b>	<b>\$1,067,025</b>	<b>\$2,141,202</b>

### Program Description

The Office of Budget and Program Planning (OBPP) assists the Governor in preparing the Governor's Executive Budget and administering the state government budget. In addition, the OBPP prepares and monitors revenue estimates and collections, prepares and publishes fiscal notes on proposed legislation and initiatives, and acts as approving authority for operational plan changes, program transfers, and budget amendments in the executive branch, in accordance with Title 17, Chapter 7, MCA. The OBPP acts as the lead executive branch agency for compliance with the federal Single Audit Act.

### Program Narrative

Office of Budget and Program Planning Major Budget Highlights	
<ul style="list-style-type: none"> <li>General fund increases are attributed to statewide present law adjustments, legislative session costs, and pay raises associated with an alternative pay plan</li> <li>Elimination of 1.00 FTE and agency proposed vacancy savings offset costs of the alternative pay plan</li> <li>Base year expenditures for computer replacements are removed from the program and included under the Executive Office Program</li> </ul>	

### Funding

The following table shows program funding, by source, for the base year and for the 2005 biennium as recommended by the Governor

Program Funding Table Office Of Bdget & Pgm Planning						
Program Funding	Base Fiscal 2002	% of Base Fiscal 2002	Budget Fiscal 2004	% of Budget Fiscal 2004	Budget Fiscal 2005	% of Budget Fiscal 2005
01100 General Fund	\$ 993,984	100.0%	\$ 1,074,177	100.0%	\$ 1,067,025	100.0%
02038 Governor'S Office Ssr	-	-	-	-	-	-
03001 Governors Office Federal Grnts	-	-	-	-	-	-
<b>Grand Total</b>	<b>\$ 993,984</b>	<b>100.0%</b>	<b>\$ 1,074,177</b>	<b>100.0%</b>	<b>\$ 1,067,025</b>	<b>100.0%</b>

Present Law Adjustments										
-----Fiscal 2004-----						-----Fiscal 2005-----				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					176,202					173,520
Vacancy Savings					(40,991)					(40,884)
Inflation/Deflation					2,254					2,279
Fixed Costs					15,777					1,410
<b>Total Statewide Present Law Adjustments</b>					<b>\$153,242</b>					<b>\$136,325</b>
DP 111 - Replacement Computers	0.00	(18,267)	0	0	(18,267)	0.00	(18,267)	0	0	(18,267)
DP 401 - OBPP Session Costs	0.00	0	0	0	0	0.00	10,000	0	0	10,000
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>(\$18,267)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$18,267)</b>	<b>0.00</b>	<b>(\$8,267)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$8,267)</b>
<b>Grand Total All Present Law Adjustments</b>					<b>\$134,975</b>					<b>\$128,058</b>

### Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 111 - Replacement Computers - This proposal removes base year expenditures for computers within the program. The executive proposes consolidating computer replacement funding for the entire agency under the Executive Office Program.

DP 401 - OBPP Session Costs - Costs for printing the Executive Budget always appear in the second year of the biennium and thus are not included in the base budget. The number of copies to be printed has been reduced and the budget volumes are available on the web site. Printing costs are added each budget cycle to the non-base year.

New Proposals										
-----Fiscal 2004-----						-----Fiscal 2005-----				
Program	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 402 - OBPP FTE Reduction 04	(1.00)	(54,782)	0	0	(54,782)	(1.00)	(55,017)	0	0	(55,017)
<b>Total</b>	<b>(1.00)</b>	<b>(\$54,782)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$54,782)</b>	<b>(1.00)</b>	<b>(\$55,017)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$55,017)</b>

### New Proposals

The "New Proposals" table summarizes all new proposals requested by the executive. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

DP 402 - OBPP FTE Reduction - The Executive recommends a reduction of 1.00 FTE, executive budget analyst, to fund the OBPP alternative pay plan adjustment. In addition, the program will be required to absorb additional vacancy savings.

#### LFD COMMENT

Pay plan increases for OBPP staff were implemented during fiscal 2002 through the broadband pay plan developed by the Personnel Division of the Department of Administration under the authority of 2-18-303, MCA. Approximately \$50,000 of growth in the OBPP personal services budget is due to this action. Under the broadband pay system, funding was not provided by the legislature for associated pay increases, so available appropriation authority was used to fund these increases during the 2003 biennium and negative adjustments were anticipated by OBPP to fund the increases for the 2005 biennium. In the case of OBPP, a position was left vacant to fund the new pay plan. This proposal, which eliminates the vacant position, combined with an agency proposed vacancy savings of \$77,300 over the biennium, is OBPP's negative proposal to fund the new pay plan.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2002	PL Base Adjustment Fiscal 2004	New Proposals Fiscal 2004	Total Exec. Budget Fiscal 2004	PL Base Adjustment Fiscal 2005	New Proposals Fiscal 2005	Total Exec. Budget Fiscal 2005	Total Exec. Budget Fiscal 04-05
FTE	2.00	0.00	0.00	2.00	0.00	0.00	2.00	2.00
Personal Services	74,743	22,124	0	96,867	22,570	0	97,313	194,180
Operating Expenses	38,915	2,001,096	0	2,040,011	1,473	0	40,388	2,080,399
<b>Total Costs</b>	<b>\$113,658</b>	<b>\$2,023,220</b>	<b>\$0</b>	<b>\$2,136,878</b>	<b>\$24,043</b>	<b>\$0</b>	<b>\$137,701</b>	<b>\$2,274,579</b>
General Fund	97,087	39,791	0	136,878	40,614	0	137,701	274,579
State/Other Special	16,571	(16,571)	0	0	(16,571)	0	0	0
Federal Special	0	2,000,000	0	2,000,000	0	0	0	2,000,000
<b>Total Funds</b>	<b>\$113,658</b>	<b>\$2,023,220</b>	<b>\$0</b>	<b>\$2,136,878</b>	<b>\$24,043</b>	<b>\$0</b>	<b>\$137,701</b>	<b>\$2,274,579</b>

### Program Description

The Coordinator of Indian Affairs Program serves as the Governor's liaison with state Indian tribes, provides information and policy support on issues confronting the Indians of Montana, and advises and makes recommendations on these issues to the legislative and executive branches. The coordinator also serves the Montana congressional delegation as an advisor and intermediary in the field of Indian affairs and acts as spokesperson for representative Native American organizations and groups, both public and private, whenever that support is requested. The program is mandated by 2-15-217 and 90-11-101, MCA.

### Program Narrative

Coordinator of Indian Affairs	
Major Budget Highlights	
<ul style="list-style-type: none"> <li>General fund increases due to statewide present law adjustments</li> <li>Federal special revenue authority of \$2.0 million is continued in fiscal 2004 only for State-Tribal economic Development Commission</li> <li>Budget balancing efforts include a \$153,000 fund transfer from the state tribal economic development account to the general fund</li> </ul>	

### Funding

The following table shows program funding, by source, for the base year and for the 2005 biennium as recommended by the Governor

Program Funding Table Coordinator Of Indian Affairs						
Program Funding	Base Fiscal 2002	% of Base Fiscal 2002	Budget Fiscal 2004	% of Budget Fiscal 2004	Budget Fiscal 2005	% of Budget Fiscal 2005
01100 General Fund	\$ 97,087	85.4%	\$ 136,878	6.4%	\$ 137,701	100.0%
02939 State Tribal Ed Ss	16,571	14.6%	-	-	-	-
03949 State Tribal Ed Fs	-	-	2,000,000	93.6%	-	-
Grand Total	\$ 113,658	100.0%	\$ 2,136,878	100.0%	\$ 137,701	100.0%

The program is funded with a combination of general fund, state special revenue authority from the state-tribal economic development account, and federal authority for anticipated federal grants.

Present Law Adjustments										
-----Fiscal 2004-----					-----Fiscal 2005-----					
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					26,160					26,624
Vacancy Savings					(4,036)					(4,054)
Inflation/Deflation					(121)					1
Fixed Costs					1,217					1,472
<b>Total Statewide Present Law Adjustments</b>					<b>\$23,220</b>					<b>\$24,043</b>
DP 501 - State-Tribal Economic Development Commission										
	0.00	0	0	2,000,000	2,000,000	0.00	0	0	0	0
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,000,000</b>	<b>\$2,000,000</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Grand Total All Present Law Adjustments</b>					<b>\$2,023,220</b>					<b>\$24,043</b>

### Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

#### LFD COMMENT

This program experienced significant vacancy savings in fiscal 2002 due to the vacancy of the director. The position is still vacant.

DP 501 - State-Tribal Economic Development Commission - HB 21 adopted and approved through the 2001 legislative session extended the duration of the State-Tribal Economic Development Commission and amended 90-1-135, MCA, to state, "Money in the accounts that is not expended by June 30, 2005, must remain in the accounts for the commission's use." This request estimates the amounts that will be remaining in the accounts and will be available for use until June 30, 2005.

#### LFD COMMENT

This proposal provides authority to spend federal funds that might be received for state-tribal economic development activities in fiscal 2004.

The commission was authorized under HB 670, the Native American Economic Development Act of 1999, by the 1999 legislature to assess and promote economic development on Indian reservations. The legislation provided establishment of state special and federal special revenue accounts for receipt of state, private and federal funds. In addition to \$200,000 general fund, \$2,000,000 of federal funding authority was provided through HB 670 for anticipated federal funds. To date, there has been no activity in the federal account, as federal funds have not been secured. One federal grant has been pursued by the commission but was not funded.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2002	PL Base Adjustment Fiscal 2004	New Proposals Fiscal 2004	Total Exec. Budget Fiscal 2004	PL Base Adjustment Fiscal 2005	New Proposals Fiscal 2005	Total Exec. Budget Fiscal 2005	Total Exec. Budget Fiscal 04-05
FTE	3.00	0.00	1.00	4.00	0.00	1.00	4.00	4.00
Personal Services	186,067	(10,215)	26,791	202,643	(10,716)	26,709	202,060	404,703
Operating Expenses	39,395	4,454	0	43,849	5,695	0	45,090	88,939
<b>Total Costs</b>	<b>\$225,462</b>	<b>(\$5,761)</b>	<b>\$26,791</b>	<b>\$246,492</b>	<b>(\$5,021)</b>	<b>\$26,709</b>	<b>\$247,150</b>	<b>\$493,642</b>
General Fund	225,462	(5,761)	26,791	246,492	(5,021)	26,709	247,150	493,642
<b>Total Funds</b>	<b>\$225,462</b>	<b>(\$5,761)</b>	<b>\$26,791</b>	<b>\$246,492</b>	<b>(\$5,021)</b>	<b>\$26,709</b>	<b>\$247,150</b>	<b>\$493,642</b>

### Program Description

The Office of the Lieutenant Governor is responsible for carrying out duties prescribed by statute established by Article VI, Section 4 of the Montana Constitution, as well as those delegated by the Governor. Statutory authority is Title 2, Chapter 15, part 3, MCA.

### Program Narrative

Lieutenant Governor Program Major Budget Highlights	
○	Statewide present law adjustments reduce general fund each year of the biennium
○	General fund increased based on an additional FTE

### Funding

The following table shows program funding, by source, for the base year and for the 2005 biennium as recommended by the Governor

Program Funding Table Lieutenant Governor'S Office							
	Base Fiscal 2002	% of Base Fiscal 2002	Budget Fiscal 2004	% of Budget Fiscal 2004	Budget Fiscal 2005	% of Budget Fiscal 2005	
Program Funding							
01100 General Fund	<u>\$ 225,462</u>	<u>100.0%</u>	<u>\$ 246,492</u>	<u>100.0%</u>	<u>\$ 247,150</u>	<u>100.0%</u>	
Grand Total	<u>\$ 225,462</u>	<u>100.0%</u>	<u>\$ 246,492</u>	<u>100.0%</u>	<u>\$ 247,150</u>	<u>100.0%</u>	

Present Law Adjustments									
-----Fiscal 2004-----					-----Fiscal 2005-----				
FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services				(6,304)					(6,815)
Vacancy Savings				(3,911)					(3,901)
Inflation/Deflation				322					792
Fixed Costs				4,132					4,903
<b>Total Statewide Present Law Adjustments</b>				<b>(\$5,761)</b>					<b>(\$5,021)</b>
<b>Grand Total All Present Law Adjustments</b>				<b>(\$5,761)</b>					<b>(\$5,021)</b>

**Executive Present Law Adjustments**

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

New Proposals										
-----Fiscal 2004-----						-----Fiscal 2005-----				
Program	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 1201 - Lt. Governor's Office Staff Support										
12	1.00	26,791	0	0	26,791	1.00	26,709	0	0	26,709
<b>Total</b>	<b>1.00</b>	<b>\$26,791</b>	<b>\$0</b>	<b>\$0</b>	<b>\$26,791</b>	<b>1.00</b>	<b>\$26,709</b>	<b>\$0</b>	<b>\$0</b>	<b>\$26,709</b>

**New Proposals**

The "New Proposals" table summarizes all new proposals requested by the executive. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

DP 1201 - Lt. Governor's Office Staff Support - The office currently has 2.00 FTE support staff. An additional 1.00 FTE is requested to provide assistance to the Lt. Governor and to the policy advisors in the Governor's Office. There is currently a 1.00 modified FTE in this position, funded within the program's personal services appropriation.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2002	PL Base Adjustment Fiscal 2004	New Proposals Fiscal 2004	Total Exec. Budget Fiscal 2004	PL Base Adjustment Fiscal 2005	New Proposals Fiscal 2005	Total Exec. Budget Fiscal 2005	Total Exec. Budget Fiscal 04-05
FTE	1.50	0.00	0.00	1.50	0.00	0.00	1.50	1.50
Personal Services	73,111	1,747	0	74,858	1,562	0	74,673	149,531
Operating Expenses	12,942	(321)	0	12,621	(235)	0	12,707	25,328
<b>Total Costs</b>	<b>\$86,053</b>	<b>\$1,426</b>	<b>\$0</b>	<b>\$87,479</b>	<b>\$1,327</b>	<b>\$0</b>	<b>\$87,380</b>	<b>\$174,859</b>
General Fund	71,054	1,425	0	72,479	1,326	0	72,380	144,859
Federal Special	14,999	1	0	15,000	1	0	15,000	30,000
<b>Total Funds</b>	<b>\$86,053</b>	<b>\$1,426</b>	<b>\$0</b>	<b>\$87,479</b>	<b>\$1,327</b>	<b>\$0</b>	<b>\$87,380</b>	<b>\$174,859</b>

### Program Description

The Citizens' Advocate Office exists to provide access to state government for Montana citizens. The office provides information to citizens and functions as a referral service for public comments, suggestions, and requests for information. The office provides a toll-free number to the public.

### Program Narrative

Citizens Advocate Office Major Budget Highlights	
○	Funding increases slightly due to statewide present law adjustments

### Funding

The following table shows program funding, by source, for the base year and for the 2005 biennium as recommended by the Governor

Program Funding Table Citizens Advocate Office						
Program Funding	Base Fiscal 2002	% of Base Fiscal 2002	Budget Fiscal 2004	% of Budget Fiscal 2004	Budget Fiscal 2005	% of Budget Fiscal 2005
01100 General Fund	\$ 71,054	82.6%	\$ 72,479	82.9%	\$ 72,380	82.8%
03001 Governors Office Federal Grnts	14,999	17.4%	15,000	17.1%	15,000	17.2%
Grand Total	<u>\$ 86,053</u>	<u>100.0%</u>	<u>\$ 87,479</u>	<u>100.0%</u>	<u>\$ 87,380</u>	<u>100.0%</u>

The office is funded by general fund and by federal special revenues from reimbursement for services the office provides to the Department of Public Health and Human Services (DPHHS) such as answering toll free phone calls for DPHHS regarding food stamps and Medicaid issues.

Present Law Adjustments										
-----Fiscal 2004-----						-----Fiscal 2005-----				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					4,866					4,674
Vacancy Savings					(3,119)					(3,112)
Inflation/Deflation					(248)					(248)
Fixed Costs					(73)					13
Total Statewide Present Law Adjustments					\$1,426	\$1,327				
Grand Total All Present Law Adjustments					\$1,426	\$1,327				

### Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2002	PL Base Adjustment Fiscal 2004	New Proposals Fiscal 2004	Total Exec. Budget Fiscal 2004	PL Base Adjustment Fiscal 2005	New Proposals Fiscal 2005	Total Exec. Budget Fiscal 2005	Total Exec. Budget Fiscal 04-05
FTE	3.50	0.00	0.00	3.50	0.00	0.00	3.50	3.50
Personal Services	137,419	12,857	0	150,276	12,448	0	149,867	300,143
Operating Expenses	71,732	(742)	(15,327)	55,663	(471)	(15,327)	55,934	111,597
<b>Total Costs</b>	<b>\$209,151</b>	<b>\$12,115</b>	<b>(\$15,327)</b>	<b>\$205,939</b>	<b>\$11,977</b>	<b>(\$15,327)</b>	<b>\$205,801</b>	<b>\$411,740</b>
General Fund	209,151	12,115	(15,327)	205,939	11,977	(15,327)	205,801	411,740
State/Other Special	0	0	0	0	0	0	0	0
<b>Total Funds</b>	<b>\$209,151</b>	<b>\$12,115</b>	<b>(\$15,327)</b>	<b>\$205,939</b>	<b>\$11,977</b>	<b>(\$15,327)</b>	<b>\$205,801</b>	<b>\$411,740</b>

### Program Description

The Mental Disabilities Board of Visitors reviews patient care in community mental health centers and facilities for the developmentally disabled, and provides legal services for in-patients. The five-member board is appointed by the Governor and employs staff and contractors who represent patients and review facilities. The board is mandated by 2-15-211, MCA, with duties described in 53-20-104, MCA. The Mental Disabilities Board of Visitors Program was created by the Developmental Disabilities Act of 1975 and the Mental Commitment and Treatment Act of 1975; the board exists by state mandate.

### Program Narrative

Mental Disabilities Board of Visitors Major Budget Highlights	
<ul style="list-style-type: none"> <li>○ Funding is approximately \$3,200 per year less than fiscal 2002 expenditures</li> <li>○ Statewide present law adjustments add approximately \$12,000 per year</li> <li>○ Budget balancing actions reduce consultant and professional services, supplies, computer hardware, and in-state personal travel budgets for a \$15,300 annual savings</li> </ul>	

### Funding

The following table shows program funding, by source, for the base year and for the 2005 biennium as recommended by the Governor

Program Funding Table Mental Disabilities Bd Visitors						
Program Funding	Base Fiscal 2002	% of Base Fiscal 2002	Budget Fiscal 2004	% of Budget Fiscal 2004	Budget Fiscal 2005	% of Budget Fiscal 2005
01100 General Fund	\$ 209,151	100.0%	\$ 205,939	100.0%	\$ 205,801	100.0%
02038 Governor'S Office Ssr	-	-	-	-	-	-
Grand Total	<u>\$ 209,151</u>	<u>100.0%</u>	<u>\$ 205,939</u>	<u>100.0%</u>	<u>\$ 205,801</u>	<u>100.0%</u>

Present Law Adjustments										
-----Fiscal 2004-----						-----Fiscal 2005-----				
	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
Personal Services					19,118					18,693
Vacancy Savings					(6,261)					(6,245)
Inflation/Deflation					148					154
Fixed Costs					383					648
<b>Total Statewide Present Law Adjustments</b>					<b>\$13,388</b>					<b>\$13,250</b>
DP 111 - Computer Replacement	0.00	(1,273)	0	0	(1,273)	0.00	(1,273)	0	0	(1,273)
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>(\$1,273)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,273)</b>	<b>0.00</b>	<b>(\$1,273)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,273)</b>
<b>Grand Total All Present Law Adjustments</b>					<b>\$12,115</b>					<b>\$11,977</b>

### Executive Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

DP 111 - Computer Replacement - This proposal decreases base year expenditures for computers within the program. This proposal combined with computer hardware reductions under DP 2001 reduces funding for computers to zero. The executive proposes consolidating computer replacement funding for the entire agency under the Executive Office Program.

New Proposals										
-----Fiscal 2004-----						-----Fiscal 2005-----				
Program	FTE	General	State Special	Federal Special	Total Funds	FTE	General	State Special	Federal Special	Total Funds
DP 2001 - General Operating Reduction										
20	0.00	(15,327)	0	0	(15,327)	0.00	(15,327)	0	0	(15,327)
<b>Total</b>	<b>0.00</b>	<b>(\$15,327)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$15,327)</b>	<b>0.00</b>	<b>(\$15,327)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$15,327)</b>

### New Proposals

The "New Proposals" table summarizes all new proposals requested by the executive. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

DP 2001 - General Operating Reduction - This proposal reduces operating expenditures for the program to meet target reductions from OBPP.

#### LFD Comment

This proposal decreases the program's operating budget by \$15,327 per year. However, \$4,520 is reduced to zero out the computer hardware budget as all agency computers will be replaced under the Executive Office Program. Reductions include the following:

- Consultant and professional services budget (\$5,161 per year). Actual fiscal 2002 expenditures were approximately \$10,000 more than previous years due to a \$10,000 annual appropriation approved by the 2001 legislature to oversee the care of patients in Montana hospitals and clinics.
- Office supplies and minor equipment (\$2,000 per year).
- Computer hardware (\$4,520 per year). Three computers were replaced under this program in fiscal 2002. The agency's computer budget is being consolidated under the Executive Office Program.
- In-state personal car mileage (\$3,646 per year).